



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

Gloria Molina
First District

Yvonne Brathwaite Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

September 16, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

FISCAL YEAR 2003-04 YEAR-END APPROPRIATION ADJUSTMENT
(All Districts) (4 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve the attached Fiscal Year (FY) 2003-04 Year-End Appropriation Adjustment (AA) (Attachment I) for the Department of Health Services (DHS) to increase the designation balance, as of June 30, 2004, to \$568.7 million, comprised of a \$215.6 million Fiscal Year 2003-04 actual operating surplus, and an existing \$353.1 million designation balance from prior fiscal years; and to reallocate certain appropriations and revenues within the Department to align them with FY 2003-04 final experience. This AA established a \$126.9 million reserved account for long-term receivables from the designation for estimated Cost Based Revenue Clinics (CBRC) collections.
2. Approve the attached FY 2003-04 AA (Attachment II) to reallocate and adjust the appropriation and revenue related to the Personal Assistance Services Council-Service Employees International Union (PASC-SEIU), In-Home Supportive Services (IHSS) Health Care Plan in accordance with FY 2003-04 final experience and to reduce the transfer of funding to the Department of Public Social Services (DPSS) by \$1.5 million.
3. Approve the attached FY 2003-04 AA (Attachment III) to realign the available funding for the Measure B Special Revenue fund in accordance with FY 2003-04 final experience.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

The Board's approval of these AA's (Attachments I - III) for FY 2003-04 will:

1. Increase total DHS funds, as of June 30, 2004, to \$568.7 million in the designation, comprised of a \$215.6 million FY 2003-04 actual operating surplus (Attachment IV) and the existing \$353.1 million designation balance from prior fiscal years. This is \$36.1 million more than the forecast in our June 10, 2004 'Fiscal Outlook'. This variance is principally due increased Vehicle License Fee estimates of \$12.1 million; increased one-time revenue related to mental health services of \$11.6 million for third party liability cancellations, audit settlements, and overrealized revenue; reduced debt service costs for the LAC + USC Medical Center replacement facility of

\$5.2 million; increased prior year State revenue for Children's Medical Services of \$4.0 million; increased SB 1732 revenue of \$1.1 million; and various other changes of \$2.1 million over estimates previously reported in the above-mentioned 'Fiscal Outlook'.

2. Reallocate certain appropriations and revenues within DHS to align them with the Department's FY 2003-04 final experience.
3. Transfer \$126.9 million to a reserved account for long-term receivables within the designation for estimated CBRC collections. Of the \$568.7 million designation balance at the end of FY 03-04, the Auditor-Controller (A-C) has placed \$126.9 million in a reserve account for long-term receivables relating to CBRC revenue payments, for CBRC services provided through June 30, 2004, that will likely not be received by June 30, 2005. The expected delay in receiving these payments from the State is due to the time being taken to complete their annual audits of CBRC cost reports. Since the State is paying us for CBRC services based on highly conservative interim rates, pending completion of its CBRC cost report audits, the interim payments are expected to be much less than the final reimbursement made after audit completion. The consequence of placing a portion of the designation balance in the reserve account is that such funds are not available for use in the following fiscal year.
4. Align DHS appropriations and revenues related to the PASC-SEIU IHSS Health Care Plan with FY 2003-04 final experience, and reduce the transfer of funding to DPSS by \$1.5 million resulting from lower than expected operating activity.
5. Align Appropriations Measure B Special Revenue fund in accordance with FY 2003-04 final experience.

FISCAL IMPACT/FINANCING:

The recommended actions adjust the various Departmental budgets to reflect DHS' actual financial experience for FY 2003-04. It also increases the designation balance to \$568.7 million, as of June 30, 2004, of which \$126.9 was placed in a reserved account for long-term receivables from the designation for estimated CBRC collections.

On December 2, 2003 your Board approved Auditor-Controller recommended guidelines for monitoring the LAC+USC Medical Center Accumulative Capital Outlay (ACO) Fund established in FY 1998-99 for the purpose of purchasing new equipment for the LAC+USC Medical Center Replacement Project. In accordance with those guidelines, we are reporting that \$105.0 million was transferred into the Provisional Financing Uses of the ACO fund during FY 2003-04. No expenditures have been made to date from the ACO fund, and no encumbrances have been established. However, \$1.2 million in interest has been earned on the balance in FY 2003-04, bringing the total ending balance to \$106.2 million.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Not applicable.

CONTRACTING PROCESS:

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

This Year-End AA has no impact on current services.

The Honorable Board of Supervisor
September 16, 2004
Page 3

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Thomas D. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:mm

Attachments (4)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller

YRENDBA04.doc

COUNTY OF LOS ANGELES
REQUEST FOR APPROPRIATION ADJUSTMENTDEPT'S.
No.

DEPARTMENT OF Health Services

September 7, 2004

AUDITOR-CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

BUDGET ADJUSTMENT

FISCAL YEAR 2003-04

4-VOTE


See attached for details

Justification:

This budget adjustment is necessary to properly reflect total DHS surplus funds in the Hospital Enterprise Funds, increase to \$568.7 million the DHS Hospital Enterprise Fund Designation for future use, and reallocate closing appropriation and revenues within DHS. This budget adjustment does not affect Operating Subsidy.

EM:mm
9/7/04

CHIEF ADMINISTRATIVE OFFICER'S REPORT


 Efrain Munoz, Chief
 DHS-Controller's Division
REFERRED TO THE CHIEF
ADMINISTRATIVE OFFICER FOR—

ACTION

APPROVED AS REQUESTED

✓ RECOMMENDATION

APPROVED (AS REVISED):
BOARD OF SUPERVISORS

19

BY

DEPUTY COUNTY CLERK

AUDITOR-CONTROLLER BY

No. 341 A

Comme 22
SEPT 8 2004

SEND 6 COPIES TO THE AUDITOR-CONTROLLER

DEPARTMENT OF HEALTH SERVICES
YEAR-END BUDGET ADJUSTMENT
FISCAL YEAR 2003-04

4-VOTE

SOURCES:

LAC + USC Healthcare Network

MN4-HG-60010-3306		
Approp. For Cont-Canc (A/P& Commit)	\$	3,933,000
MN4-HG-60010-1000		
Salaries & Employee Benefits		33,630,000
MN4-HG-60010-2000		
Services and Supplies		21,512,000
MN4-HG-60010-5500		
Other Charges		11,502,000
MN4-HG-60010-R212		
Medi-Cal HMO		6,189,000
MN4-HG-60010-9435		
Medicare		6,068,000
MN4-HG-60010-9910		
Operating Transfers In - Measure B		18,602,000
MN4-HG-60010-9433		
Medi-Cal		21,309,000

Total Northeast Area	\$ 122,745,000
----------------------	----------------

Coastal Area (H/UCLA Medical Center)

MN1-HH-60020-3306	
Approp. For Cont-Canc (A/P& Commit)	\$ 760,000
MN1-HH-60020-1000	
Salaries & Employee Benefits	15,026,000
MN1-HH-60020-2000	
Services and Supplies	10,150,000
MN1-HH-60020-5500	
Other Charges	4,939,000
MN1-HH-60020-R212	
Medi-Cal HMO	6,062,000
MN1-HH-60020-9435	
Medicare	817,000
MN1-HH-60020-9423	
Self-Pay	4,648,000

Total Coastal Area	\$ 42,402,000
--------------------	---------------

USES:

LAC + USC Healthcare Network

MN4-HG-60010-6100		
Other Financing Uses	\$	16,484,000
MN4-HG-60010-9911		
Operating Transfer In		14,313,000
MN4-HG-60010-9912		
Operating Subsidy		91,948,000

\$ 122,745,000

Coastal Area

MN1-HH-60020-6100		
Other Financing Uses	\$	8,104,000
MN1-HH-60020-9910		
Operating Transfers In - Measure B		2,023,000
MN1-HH-60020-9911		
Operating Transfer In		4,597,000
MN1-HH-60020-9912		
Operating Subsidy		27,678,000

\$ 42,402,000

BA# 341 A 9-8-2004

**DEPARTMENT OF HEALTH SERVICES
YEAR-END BUDGET ADJUSTMENT
FISCAL YEAR 2003-04**

4-VOTE

SOURCES:

Southwest Area (MLK/D Medical Center)
 MN5-HK-60030-3306
 Approp. For Cont-Canc (A/P& Commit) \$ 586,000

MN5-HK-60030-1000
 Salaries & Employee Benefits 5,798,000

MN5-HK-60030-2000
 Services and Supplies 3,653,000

MN5-HK-60030-5500
 Other Charges 3,812,000

MN5-HK-60030-R212
 Medi-Cal HMO 3,907,000

MN5-HK-60030-9820
 Mental Health - Patient Care/Non FFP 591,000

Total Southwest Area \$ 18,347,000

USES:

Southwest Area
 MN5-HK-60030-6100
 Other Financing Uses \$ 8,950,000

MN5-HK-60030-9910
 Operating Transfers In - Measure B 3,019,000

MN5-HK-60030-9911
 Operating Trans In 5,249,000

MN5-HK-60030-9912
 Operating Subsidy 1,129,000

\$ 18,347,000

Rancho Los Amigos Medical Center
 MN7-HR-60040-3306
 Approp. For Cont-Canc (A/P& Commit) \$ 229,000

MN7-HR-60040-1000
 Salaries & Employee Benefits 11,925,000

MN7-HR-60040-2000
 Services & Supplies 13,057,000

MN7-HR-60040-5500
 Other Charges 2,102,000

MN7-HR-60040-9435
 Medicare 6,836,000

Total Rancho Los Amigos \$ 34,149,000

Rancho Los Amigos Medical Center
 MN7-HR-60040-6100
 Other Financing Uses \$ 3,752,000

MN7-HR-60040-9911
 Operating Transfer In 3,200,000

MN7-HR-60040-9912
 Operating Subsidy 27,197,000

\$ 34,149,000

San Fernando Valley Area (OV/UCLA Medical Center)
 MN3-HO-60050-3306
 Approp. For Cont-Canc (A/P& Commit) \$ 278,000

MN3-HO-60050-1000
 Salaries & Employee Benefits 5,076,000

MN3-HO-60050-2000
 Services and Supplies 2,724,000

MN3-HO-60050-R212
 Medi-Cal HMO 3,867,000

MN3-HO-60050-9435
 Medicare 5,973,000

MN3-HO-60050-9912
 Operating Subsidy 5,399,000

Total San Fernando Valley Area \$ 23,317,000

San Fernando Valley Area
 MN3-HO-60050-5500
 Other Charges \$ 1,022,000

MN3-HO-60050-6100
 Other Financing Uses 6,005,000

MN3-HO-60050-9910
 Operating Transfers In - Measure B 13,560,000

MN3-HO-60050-9911
 Operating Transfer In 2,730,000

\$ 23,317,000

BA# 341 A 9-8-2004

**DEPARTMENT OF HEALTH SERVICES
YEAR-END BUDGET ADJUSTMENT
FISCAL YEAR 2003-04**

4-VOTE

SOURCES:

Antelope Valley Area (High Desert Hospital)
MN6-HD-60060-1000
Salaries & Employee Benefits \$ 1,113,000

MN6-HD-60060-2000
Services and Supplies 4,376,000

Total Antelope Valley Area \$ 5,489,000

SB 855 Enterprise Fund
MN2-HS-60070-9912
Operating Subsidy \$ 183,874,000

MN2-HS-60070-6100
Other Financing Uses 31,808,000

Total SB 855 Enterprise Fund \$ 215,682,000

Total Enterprise Fund \$ 462,131,000

AIDS
AO1-HS-25770-3306
Approp. For Cont-Canc (A/P& Commit) \$ 241,000

AO1-HS-25770-1000
Salaries & Employee Benefits 375,000

AO1-HS-25770-2000
Services and Supplies 4,269,000

Alcohol & Drug
AO1-HS-20400-3306
Approp. For Cont-Canc (A/P& Commit) \$ 1,276,000

Children's Medical Services
AO1-HS-25740-3306
Approp. For Cont-Canc (A/P& Commit) \$ 86,000

AO1-HS-25740-1000
Salaries & Employee Benefits 6,474,000

AO1-HS-25740-2000
Services and Supplies 2,175,000

AO1-HS-25740-5500
Other Charges 1,009,000

USES:

Antelope Valley Area
MN6-HD-60060-9911
Operating Transfer In \$ 1,719,000

MN6-HD-60060-9912
Operating Subsidy 3,770,000

Total Antelope Valley Area \$ 5,489,000

SB 855 Enterprise Fund
MN2-HS-60070-3085
Designation for DHS \$ 88,755,000

MN2-HS-60070-3026
Reserve for DHS Long Term Receivables \$ 126,927,000

Total SB 855 Enterprise Fund \$ 215,682,000

Total Enterprise Fund \$ 462,131,000

AIDS
AO1-HS-25770-9001
Federal - Other Revenue \$ 4,555,000

Alcohol & Drug
AO1-HS-20400-9031
Federal Grants \$ 1,305,000

Children's Medical Services
AO1-HS-25740-8831
State - Other Revenue \$ 5,414,000

BA# 341 A 9-8-2004

**DEPARTMENT OF HEALTH SERVICES
YEAR-END BUDGET ADJUSTMENT
FISCAL YEAR 2003-04**

4-VOTE

SOURCES:

Public Health Services

AO1-HS-23450-3306
Approp. For Cont-Canc (A/P& Commit) \$ 2,195,000

AO1-HS-23450-1000
Salaries & Employee Benefits 10,772,000

AO1-HS-23450-2000
Services and Supplies 16,284,000

AO1-HS-23450-5500
Other Charges 1,043,000

AO1-HS-23450-6030
Equipment 466,000

Health Services Administration

AO1-HS-20000-3306
Approp. For Cont-Canc (A/P& Commit) \$ 8,391,000

AO1-HS-20000-1000
Salaries & Employee Benefits 4,735,000

AO1-HS-20000-2000
Services and Supplies 31,276,000

AO1-HS-20000-5500
Other Charges 1,107,000

AO1-HS-20000-6030
Equipment 2,001,000

Office of Managed Care

AO1-HP-19975-3306
Approp. For Cont-Canc (A/P& Commit) \$ 1,594,000

AO1-HP-19975-2000
Services and Supplies 23,850,000

Juvenile Court Health Services

AO1-HS-20600-3306
Approp. For Cont-Canc (A/P& Commit) \$ 5,000

AO1-HS-20600-1000
Salaries and Employee Benefits \$ 1,913,000

AO1-HS-20600-2000
Service & Supplies 1,688,000

AO1-HS-20600-5500
Other Charges 111,000

AO1-HS-20600-9307
CBRC 659,000

AO1-HS-20600-8771
Other State Aid - Health 316,000

USES:

Public Health Services

AO1-HS-23450-8831
State - Other Revenue \$ 10,290,000

AO1-HS-23450-9001
Federal - Other Revenue 10,719,000

Health Services Administration

AO1-HS-20000-9426
Community Health Plan \$ 26,076,000

AO1-HS-20000-9825
Other General Fund Dept 30,005,000

Office of Managed Care

AO1-HP-19975-9426
CHP - Medi-Cal \$ 15,795,000

AO1-HP-19975-R206
CHP - Healthy Families 1,856,000

AO1-HP-19975-942A
In-Home Supportive Services 6,705,000

**DEPARTMENT OF HEALTH SERVICES
YEAR-END BUDGET ADJUSTMENT
FISCAL YEAR 2003-04**

4-VOTE

SOURCES:

General Fund - Health
AO1-HS-19998-9299
Other Financing Sources General Fund Healthcare \$ 43,181,000

Realignment (Sales Tax)
AO1-HS-19999-8899
Sales Tax \$ 96,000

Non-Departmental Revenue (VLF)
AO1-ND-10001-8716
State Vehicle License Fee - AB 1288 \$ 23,213,000

H/UCLA Surgery Emergency Room
AO1-HS-77176-6014
Fixed Assets - Building & Improv. 927,000

El Monte CHC Seismic Retro
AO1-HS-86505-6014
Fixed Assets - Building & Improv. 230,000

Central HC Seismic Retro
AO1-HS-86509-6014
Fixed Assets - Building & Improv. 429,000

Hudson CHC Seismic Retro
AO1-HS-86514-6014
Fixed Assets - Building & Improv. 726,000

H/UCLA Refurb Parlow Library
AO1-HS-86516-6014
Fixed Assets - Building & Improv. 125,000

Central HC X-Ray Space
AO1-HS-86571-6014
Fixed Assets - Building & Improv. 214,000

USES:

General Fund - Health
AO1-HS-19998-5500
Other Charges \$ 43,181,000

DEPARTMENT OF HEALTH SERVICES
YEAR-END BUDGET ADJUSTMENT
FISCAL YEAR 2003-04

4-VOTE

SOURCES:

General Fund Subsidy - (LAC + USC Hlthcare Network)

AO1-AC-21224-6100
Operating Transfers Out \$ 91,948,000

General Fund Subsidy - (Coastal Area)

AO1-AC-21226-6100
Operating Transfers Out \$ 27,678,000

General Fund Subsidy - (Southwest Area)

AO1-AC-21228-6100
Operating Transfers Out \$ 1,129,000

General Fund Subsidy - (RLA)

AO1-AC-21230-6100
Operating Transfers Out \$ 27,197,000

General Fund Subsidy - (Antelope Valley Area)

AO1-AC-21234-6100
Operating Transfers Out \$ 3,770,000

Total General Fund \$ 345,174,000

Total Department \$ 807,305,000

USES:

General Fund Subsidy - (San Fernando Valley Area)

AO1-AC-21232-6100
Operating Transfers Out \$ 5,399,000

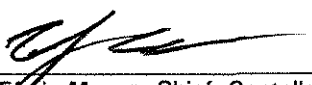
General Fund Subsidy - (SB 855 Enterprise Fund)

AO1-AC-21236-6100
Operating Transfers Out \$ 183,874,000

\$ 345,174,000

\$ 807,305,000

Noted & Approved:


Efrain Munoz, Chief, Contoller's Division
Department of Health Services

Final

COUNTY OF LOS ANGELES
REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S.
No.

DEPARTMENT OF HEALTH SERVICES

AUGUST 13, 2004

AUDITOR-CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

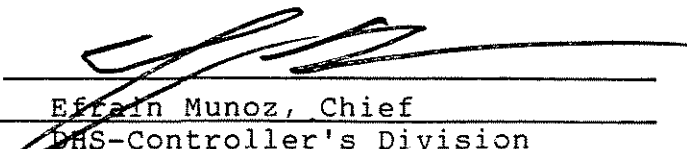
BUDGET ADJUSTMENT
FISCAL YEAR 2003-04
4-VOTE

See attached for details

Justification:

This budget adjustment is necessary to reallocate and adjust appropriation and revenue within the Department of Health Services (DHS) specifically related to the Personal Assistance Services Council-Services Employees International Union (PASC-SEIU), In-Home Support Services (IHSS) Health Care Plan, and to recover \$1.543 million of unused funding from the Department of Public Social Services (DPSS).

EM:fl
8/13/04


Effrain Munoz, Chief
DHS-Controller's Division

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF
ADMINISTRATIVE OFFICER FOR—

ACTION

RECOMMENDATION

APPROVED AS REQUESTED


AS REVISED

September 15, 2004


DAVID J. JASSO
CHIEF ADMINISTRATIVE OFFICER

AUDITOR-CONTROLLER

BY


Aug 13 2004

APPROVED (AS REVISED):
BOARD OF SUPERVISORS

19

No. 332

BY

DEPUTY COUNTY CLERK

SEND 6 COPIES TO THE AUDITOR-CONTROLLER

DEPARTMENT OF HEALTH SERVICES
IHSS HEALTH BENEFITS PROGRAM
FISCAL YEAR 2003-04

4-VOTE

SOURCES:

LAC+USC Healthcare Network

MN4-HG-60010-9912

Operating Subsidy \$ 713,000

Total Northeast Area \$ 713,000

Coastal Area (H/UCLA Medical Center)

MN1-HH-60020-9912

Operating Subsidy \$ 263,000

Total Coastal Area \$ 263,000

Southwest Area (MLK/D Medical Center)

MN5-HK-60030-9912

Operating Subsidy \$ 211,000

Total Southwest Area \$ 211,000

San Fernando Valley Area (OV/UCLA Medical Center)

MN3-HO-60050-9912

Operating Subsidy \$ 286,000

Total San Fernando Valley Area \$ 286,000

Antelope Valley Area (High Desert Hospital)

MN6-HD-60060-9912

Operating Subsidy \$ 70,000

Total Antelope Valley Area \$ 70,000

Total Enterprise Fund \$ 1,543,000

USES:

LAC+USC Healthcare Network

MN4-HG-60010-942A

CHP Medi-Cal (IHSS) Revenue \$ 713,000

\$ 713,000

Coastal Area

MN1-HH-60020-942A

CHP Medi-Cal (IHSS) Revenue \$ 263,000

\$ 263,000

Southwest Area

MN5-HK-60030-942A

CHP Medi-Cal (IHSS) Revenue \$ 211,000

\$ 211,000

San Fernando Valley Area

MN3-HO-60050-942A

CHP Medi-Cal (IHSS) Revenue \$ 286,000

\$ 286,000

Antelope Valley Area

MN6-HD-60060-942A

CHP Medi-Cal (IHSS) Revenue \$ 70,000

\$ 70,000

Total Enterprise Fund \$ 1,543,000

B77338

8-13-2004

DEPARTMENT OF PUBLIC SOCIAL SERVICES
IHSS HEALTH BENEFITS PROGRAM
FISCAL YEAR 2003-04

4-VOTE

SOURCES:

USES:

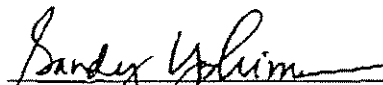
A01-SS-26410-2000
IHSS-Services and Supplies \$1,543,000

Total Department \$1,543,000

\$ 0

Noted & Approved:

Sandy Yoshima



Sandy Yoshima, Director, Fiscal Operations
Department of Public Social Services

213-637-2626

BA # 338

8-13-2004

DEPARTMENT OF PUBLIC SOCIAL SERVICES
IHSS HEALTH BENEFITS PROGRAM
FISCAL YEAR 2003-04

4-VOTE

SOURCES:

USES:

A01-SS-26410-2000
IHSS-Services and Supplies \$1,543,000

Total Department **\$1,543,000**

\$ 0

Noted & Approved:


Sandy Yoshima, Director, Fiscal Operations
Department of Public Social Services

COUNTY OF LOS ANGELES
REQUEST FOR APPROPRIATION ADJUSTMENTDEPT'S.
No.

DEPARTMENT OF

Health Services

September 7, 2004

AUDITOR-CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

BUDGET ADJUSTMENT

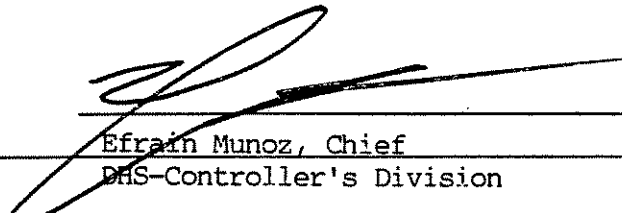
FISCAL YEAR 2003-04

4-VOTE

See attached for details

Justification:

This budget adjustment is necessary to realign the available funding for operating transfers out to various DHS hospitals for the Measure B Special Revenue fund in FY 2003-04.

EM:mm
9/7/04

 Efrain Munoz, Chief
 DHS-Controller's Division

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF
ADMINISTRATIVE OFFICER FOR—

ACTION

APPROVED AS REQUESTED

AS REVISED

RECOMMENDATION

APPROVED (AS REVISED):
BOARD OF SUPERVISORS

19

AUDITOR-CONTROLLER BY

BY

DEPUTY COUNTY CLERK

No. 341 B

SEPT 8 2004

SEND 6 COPIES TO THE AUDITOR-CONTROLLER

DEPARTMENT OF HEALTH SERVICES
MEASURE B BUDGET ADJUSTMENT
FISCAL YEAR 2003-04

4-VOTE

SOURCES:

Measure B - Harbor/UCLA Medical Center

BW9-HS-41012-6100

Operating Transfers Out \$ 2,023,000

Measure B - King/Drew Medical Center

BW9-HS-41015-6100

Operating Transfers Out \$ 3,019,000

Measure B - Olive View Medical Center

BW9-HS-41013-6100

Operating Transfers Out \$ 13,560,000

Total \$ 18,602,000

USES:

Measure B - LAC + USC Medical Center

BW9-HS-41014-6100

Operating Transfers Out \$ 18,602,000

\$ 18,602,000

Noted & Approved:


Efrain Munoz, Chief, Contoller's Division
Department of Health Services

Final

BA# 341 B

SEPT 8, 2004

DEPARTMENT OF HEALTH SERVICES
SUMMARY EXPLANATION OF BUDGETARY VARIANCES
FISCAL YEAR 2003-04
(\$ In Millions)

Sources	FY 2003-04	
Surplus from Operations:		
- Current Fiscal Year	\$ 19.1	
- Prior Fiscal Years	14.2	
Subtotal	\$ 33.3	
Extraordinary Expenditure Variances:		
- Hiring Delays/Freezes	\$ 25.3	(A)
- Employee Benefits	10.1	
- Clinical Resources Management	20.6	(B)
- Other Charges	26.3	(C)
- Fixed Asset Surplus	3.5	
- Commitment/Payables Cancellations	21.0	
- Capital Projects	2.7	
Subtotal	\$ 109.5	
Extraordinary Funding Variances:		
- Medi-Cal	\$ (25.3)	(D)
- AB 915	23.2	(E)
- CBRC	(35.0)	(F)
- SB 855	20.9	(G)
- 1115 Waiver Administrative Cost Reimbursement	2.0	
- Tobacco Tax (CHIP)	1.5	
- Mental Health Services	11.6	(H)
- Reimbursement Settlements	20.8	
- Sales Tax	0.1	
- Vehicle License Fees	23.2	(I)
- CHP Equity Distribution	29.8	(J)
Subtotal	\$ 72.8	
Total Fiscal Year 2002-03	\$ 215.6	
Other:		
- Designation Balance	\$ 353.1	
June 30, 2004 Designation Balance	\$ 568.7	

Notes:

- (A) Reflects the inability to fill the AB 394 Nursing Staffing Ratio items.
- (B) Surplus primarily due to program implementation delays based on the unavailability of necessary technology solutions.
- (C) Surplus primarily due to reduced medical malpractice (\$16.8M), reduced debt service for the LAC+USC replacement facility (\$5.2M), reduced interest expense (\$2.0M), and various other surplus (\$2.3M).
- (D) Deficit due to increased TAR denial rates.
- (E) This revenue was not budgeted in FY 03-04 due to uncertainty over CMS approval, however, CMS finally approved in September 2003.
- (F) Deficit primarily due to latest audit results and revised outpatient visits.
- (G) Surplus primarily due to DSH cliff relief in the Medicare Prescription Drug Bill and OBRA '93 DSH cap relief.
- (H) Surplus due to third party liability cancellations, audit settlements, overrealized non-patient care revenue and overrealized FFP revenue.
- (I) Per final estimates provided by CAO.
- (J) Surplus due to liquidation of the CHP Equity Trust Fund per A-C requirements.